

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN

UNITED STATES OF AMERICA,

Plaintiff,

Civil Action No.:  
Hon:

vs.

Maurice Taylor,

Defendant.

\_\_\_\_\_  
GOODMAN & POESZAT, PLLC  
Jeffrey G. Poeszat (P51370)  
Attorneys for the United States of America  
20300 West 12 Mile Road, Suite 201  
Southfield, MI 48076  
248/750-0500  
\_\_\_\_\_

**COMPLAINT**

The United States of America, Plaintiff, alleges that:

**Jurisdiction**

1. This Court has jurisdiction over the subject matter of this action pursuant to Article III, Section 2, U.S. Constitution, 28 U.S.C. § 1345.

**Venue**

2. The defendant is a resident of Wayne County, Michigan within the jurisdiction of this Court and may be served with service of process at 19946 Strasburg, Detroit, MI, 48205-1636.

**The Debt Loan #I 2011A55845**

3. The debt owed to the United States of America is as follows:

A. Current principal balance (after application of all prior payments, credits, and offsets):	\$4,887.73
B. Current capitalized interest balance and accrued interest:	\$7,795.78
C. Administrative Fee, Costs, Penalties:	\$0.00
D. Credits previously applied (Debtor payments, credits and offsets):	\$0.00
Total Owed	\$12,683.51

The Certificate of Indebtedness, attached as Exhibit B, shows the total owed excluding attorney's fees and Court costs and related charges. The principal balance and the interest balance shown on the Certificate of Indebtedness is correct as of the date of the Certificate of Indebtedness after application of all prior payments, credits, and offsets. Prejudgment interest accrues at the rate of 3.54% per annum from the date stated in Exhibit B. The promissory notes which are at issue are attached as Exhibit A, hereto.

WHEREFORE, Plaintiff prays that the Court enter Judgment in its favor and against Defendant in the amount of \$12,683.51, plus recoverable costs, interest and attorney fees.

**The Debt Loan #II 2011A55833**

4. Plaintiff incorporates Paragraphs 1 - 3 as set forth herein verbatim.
5. The debt owed to the United States of America is as follows:

A. Current principal balance (after application of all prior payments, credits, and offsets):	\$2,809.56
B. Current capitalized interest balance and accrued interest:	\$4,801.89
C. Administrative Fee, Costs, Penalties:	\$0.00
D. Credits previously applied (Debtor payments, credits and offsets):	\$0.00
Total Owed	\$7,611.45

The Certificate of Indebtedness, attached as Exhibit D, shows the total owed excluding attorney's fees and Court costs and related charges. The principal balance and the

interest balance shown on the Certificate of Indebtedness is correct as of the date of the Certificate of Indebtedness after application of all prior payments, credits, and offsets. Prejudgment interest accrues at the rate of 8.0% per annum from the date stated in Exhibit D. The promissory notes which are at issue are attached as Exhibit C, hereto.

WHEREFORE, Plaintiff prays that the Court enter Judgment in its favor and against Defendant in the amount of \$7,611.45, plus recoverable costs, interest and attorney fees.

**Failure to Pay**

6. Plaintiff incorporates Paragraphs 1 - 5 as set forth herein verbatim.

7. Demand has been made upon the defendant for payment of the indebtedness, and the defendant has neglected and refused to pay the same.

WHEREFORE, the United States of America prays for judgment:

A. For the sums set forth in Paragraph 3 above, in the amount of \$12,683.51, plus the sums set forth in Paragraph 5 above, in the amount of \$7,611.45, for a cumulative total of \$20,294.96, plus prejudgment interest through the date of judgment, all administrative costs, and service of process costs allowed by law, and post-judgment interest at the legal rate, pursuant to 28 U.S.C. § 1961.

B. For attorneys' fees and costs allowed by law or contract; and

C. For such other relief which the Court deems proper.

Respectfully submitted,

GOODMAN & POESZAT, PLLC

By: s/ Jeffrey G. Poeszat  
Jeffrey Poeszat, Bar No. (P51370)  
20300 W 12 Mile Road, Suite 201  
Southfield, Mi 48076  
Telephone No. 248/750-0500  
Fax No. 248/750-0508  
jpoeszat@goodmanpoeszat.com

July 20, 2011

U. S. DEPARTMENT OF EDUCATION  
SAN FRANCISCO, CALIFORNIA

CERTIFICATE OF INDEBTEDNESS #2 OF 2

Maurice Taylor  
19946 Strasburg  
Detroit, MI 48205-1636  
Account No. XXXXX7384

I certify that U.S. Department of Education records show that the borrower named above is indebted to the United States in the amount stated below plus additional interest from 04/14/11.

On or about 02/18/87, the borrower executed promissory note(s) to secure loan(s) of \$4,000.00 from First Bank (Milwaukee, WI). This loan was disbursed for \$4,000.00 on 09/29/87, at a variable rate of interest to be established annually by the Department of Education. The loan obligation was guaranteed by Higher Education Assistance Authority, and then reinsured by the Department of Education under loan guaranty programs authorized under Title IV-B of the Higher Education Act of 1965, as amended, 20 U.S.C. 1071 et seq. (34 C.F.R. Part 682). The holder demanded payment according to the terms of the note, and credited \$0.00 to the outstanding principal owed on the loan. The borrower defaulted on the obligation on 05/19/89, and the holder filed a claim on the loan guarantee.

Due to this default, the guaranty agency paid a claim in the amount of \$4,887.73 to the holder. The guarantor was then reimbursed for that claim payment by the Department under its reinsurance agreement. Pursuant to 34 C.F.R. § 682.410(b)(4), once the guarantor pays on a default claim, the entire amount paid becomes due to the guarantor as principal. The guarantor attempted to collect this debt from the borrower. The guarantor was unable to collect the full amount due, and on 02/02/93, assigned its right and title to the loan to the Department.

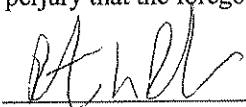
Since assignment of the loan, the Department has credited a total of \$0.00 in payments from all sources, including Treasury Department offsets, if any, to the balance. After application of these payments, the borrower now owes the United States the following:

Principal:	\$ 4,887.73
Interest:	\$ 7,795.78
Total debt as of 04/14/11:	\$12,683.51

Interest accrues on the principal shown here at the current rate of 3.54 percent and a daily rate of \$0.47 through June 30, 2011, and thereafter at such rate as the Department establishes pursuant to section 427A of the Higher Education Act of 1965, as amended, 20 U.S.C. 1077a.

Pursuant to 28 U.S.C. § 1746(2), I certify under penalty of perjury that the foregoing is true and correct.

Executed on: 5/5/11

  
Loan Analyst  
Litigation Support

Peter La Roche  
Loan Analyst

PLEASE PRINT CLEARLY IN INK

BE SURE TO PUT YOUR INITIALS BY ANY CORRECTIONS YOU HAVE TO MAKE.

## AUXILIARY LOAN TO ASSIST STUDENTS (ALAS)

## A. IMPORTANT - READ THIS INFORMATION CAREFULLY

The terms "I" and "me" refer to the borrower.

1. I will read the Promissory Note before I fill it out. If I have any questions, I will ask my lender. If I don't know who my lender will be, I will contact my school or the Higher Education Assistance Foundation (HEAF).
2. When the lender accepts my signed Promissory Note with my application, the lender is not obligated to lend me money. The lender has the right not to make a loan or lend an amount less than the Loan Amount Requested. I will be responsible for repaying the loan if the lender lends. Laws and regulations may not allow the lender to lend me as much as I have asked for.
3. After HEAF has agreed to guarantee my loan, the lender will send me a Disclosure Statement. The Disclosure Statement will tell me:
  - a) the total dollar amount of my loan
  - b) the interest rate I will pay
  - c) the repayment terms, if principal is not deferred
  - d) the check disbursement date
  - e) repayment terms, if principal is deferred

Some of the terms on my Disclosure Statement may be different from what they are on the Promissory Note. If the terms are different, I will read the Disclosure Statement apply instead of what is on this Note. If I am not satisfied with the new terms, I may cancel the agreement. I will not cash the loan check. I will be sure to check the Disclosure Statement as soon as I receive it. I will let my lender know if anything looks wrong or if I have any questions.

## B. PROMISE TO PAY

I, Maurice Taylor, promise to pay to the order of First Bank N.A. Milwaukee, Wisconsin

## All of the following Amounts:

The entire Loan Amount Requested or such lesser amount as is loaned (LOAN AMOUNT)

REQUESTED \$ 4,000.00

Interest on the unpaid principal balance of 12 percent per year

The guarantee fee of one percent per year up to five years of the loan amount, based on a declining balance

## C. REPAYMENT

1. Immediate Repayment. If the preceding box is checked, I agree to begin repaying the principal and interest within 60 days of disbursement. The terms and conditions of the loan will be identified in the Disclosure Statement.
2. Repayment with Deferral. If the preceding box is checked, I wish to defer repayment of my loan. I agree to begin repayment of my loan in periodic installments of principal and interest within 60 days after I cease to be entitled to the deferment. I will repay this loan over a term of no less than five years and no more than ten years, from the date principal repayment begins. However, the following extensions apply to this rule:
  - a) The repayment term may be longer than ten years if a deferment for research is explained in Section D or for a modification of the repayment terms as explained in Section E.
  - b) My lender may require a shorter repayment period if necessary to ensure that my payments in any year on my ALAS and Guaranteed Student Loan program loans, including the cost of my spouse, total at least \$600 of the unpaid balance of such loans, whichever is less.
  - c) At my request, and the lender may grant me a repayment period shorter than five years, but at least I may later choose to have the repayment period extended to 5 years.

3. The particular terms and conditions of repayment that apply to this loan will be set forth in a separate Loan Disclosure. If I have more than one ALAS loan, the terms may be combined and the repayment terms will also be disclosed in a separate Repayment Schedule.
4. I will contact the Lender prior to expiration of the period of deferment to negotiate the terms of repayment. If I neglect to do so, I authorize the Lender to establish repayment terms within the guidelines set forth in paragraph 2, without my further approval. However, my lender must inform me of the terms in writing at the latest address which I have provided to the lender.
5. My obligation to repay this loan shall be cancelled if I die or become totally and permanently disabled.
6. At my option, and without penalty, I may prepay all or any part of my loan plus interest at any time. In the event of prepayment, I may be entitled to a refund of unearned interest. The amount of any such rebate shall be computed by the same method by which interest payments were computed.

## D. DEFERMENT OF PAYMENT

In certain instances authorized by the Act, see Section 1, the payments on this loan may be deferred. The "Act" has currently authorized by the Act as described on the reverse of the Note. If I seek such deferment, I agree to comply with the relevant federal regulations and the Rules and Regulations of HEAF, including without limitation submission of required forms to the lender.

I will remain responsible for payment of interest during any period of deferment, which my lender may collect on a periodic basis, or I may add to the principal balance of the loan.

## E. MODIFICATION OF REPAYMENT TERMS

1. I am unable to repay this loan in accordance with the terms of this Note. I may request my lender to modify these terms. My Lender may, but is not required to allow any of the following:
    - a) A short period of time in which payments are waived
    - b) A reasonable extension of time for making payments
    - c) The making of smaller payments than were originally scheduled
- No such modification shall affect my continuing obligation to pay interest.

Your Name

Your Address

Your City/State/Zip

Your City/State/Zip

## F. DEFAULT &amp; ACCELERATION

If I default on this loan, the lender or HEAF may report the default to credit bureau organizations. This may significantly and adversely affect my credit rating. If a lender must provide information on the repayment status of this loan to any credit bureau organization upon my request, if not otherwise prohibited by law, the lender may disclose information about the status of this loan to any credit bureau organizations.

1. Failing to make any payment required by the terms of the loan.
2. Making any false representation or statement to the lender or HEAF.
3. Failing to pay the loan in accordance with the terms of the loan.
4. Failing to pay the loan in accordance with the terms of the loan.
5. Failing to pay the loan in accordance with the terms of the loan.
6. Failing to pay the loan in accordance with the terms of the loan.

If I default on this loan, the lender or HEAF may report the default to credit bureau organizations. This may significantly and adversely affect my credit rating. If a lender must provide information on the repayment status of this loan to any credit bureau organization upon my request, if not otherwise prohibited by law, the lender may disclose information about the status of this loan to any credit bureau organizations.

## G. CREDIT BUREAU NOTIFICATION

If I default on this loan, the lender or HEAF may report the default to credit bureau organizations. This may significantly and adversely affect my credit rating. If a lender must provide information on the repayment status of this loan to any credit bureau organization upon my request, if not otherwise prohibited by law, the lender may disclose information about the status of this loan to any credit bureau organizations.

## H. LATE CHARGES

If permitted by law, the lender may collect from me a late charge if I fail to make any part of any installment payment within 10 days after it is due, unless I provide documentation that I am entitled to have the payment deferred as described under Section D in this Promissory Note. A late charge may not exceed \$5 or 5% of an installment, whichever amount is less.

## I. GENERAL

I understand that the lender has applied for a guarantee of this loan through the Higher Education Assistance Foundation (HEAF) and because of this, the loan is subject to, and the terms of this Note will be interpreted in accordance with, Subchapter IV, Part B of the Higher Education Act of 1985 (the "Act") as amended, federal regulations adopted under the Act, and the Rules and Regulations of HEAF. To the extent not governed by federal law, this Note shall be governed by the laws of the jurisdiction in which the lender is located.

## NOTICE TO BORROWER

- (a) DO NOT SIGN THIS PROMISSORY NOTE BEFORE YOU READ IT
- (b) YOU ARE ENTITLED TO A COPY OF THIS PROMISSORY NOTE
- (c) YOU MAY PREPAY THE UNPAID BALANCE AT ANY TIME WITHOUT PENALTY.
- (d) IF YOU HAVE ANY QUESTIONS OR WISH TO CANCEL THIS LOAN 1) DO NOT CASH THE LOAN CHECK(S) AND 2) CONTACT YOUR LENDER.

Sign Your Name

Today's Date

Your Indorser's Signature (if any)

Today's Date

Your Indorser's Address, City, State and Zip Code

The above signed indorser signs this Promissory Note in the capacity of an indorser within the meaning of the Uniform Commercial Code. As such, the undersigned hereby waives demand, presentment for payment, notice of nonpayment, protest, and notice of protest, and acknowledges and agrees that the Lender has expressly reserved its rights against the undersigned notwithstanding deferment of payment in accordance with Section D of this Note or modification of repayment terms in accordance with Section E of this Note.

LENDER COPY



## DEFERMENT OF REPAYMENT

I understand that in certain instances authorized by the ACT the payments that I am required to make under Section B may be deferred. Payments of principal on my loan will be deferred after the repayment period begins, because of circumstances listed below, provided I comply with the procedural requirements set forth in the regulations governing the Auxiliary Loan to Assist Students (ALAS).

1. While I am enrolled in —
  - A. Full time study at a school that is participating in the ALAS program. (However, only citizens or nationals may attend school outside of the U.S.).
  - B. Full time study of an institution of higher education or a vocational school that is operated by an agency of the Federal Government (e.g., the service academies).
  - C. A graduate fellowship program approved by the Secretary of Education, or
  - D. A rehabilitation training program for disabled individuals approved by the Secretary of Education.
2. For periods not exceeding 3 years for each of the following while I am —
  - A. On active duty in the Armed Forces of the United States or serving as an officer in the Commissioned Corps of the United States Public Health Service.
  - B. Serving as a Peace Corps Volunteer.
  - C. Serving as a full time volunteer under Title I of the Domestic Volunteer Service Act of 1973 (ACTVSN) programs (e.g., VISTA).
  - D. Serving as a full time volunteer for an organization exempt from Federal income taxation under Section 501 (c)(3) of the Internal Revenue Code of 1954, while performing service which is comparable to service performed in the Peace Corps or ACTION programs.
  - E. Temporarily totally disabled, as established by an affidavit of a qualified physician, or another person who may or may not be a doctor, providing care required by my spouse who is temporarily totally disabled, as established by an affidavit of a qualified physician.
3. For a period not exceeding 2 years while I am serving in an internship that is required for me to become a professional

unintentionally seeking but unable to find employment.

## AFFIX TO BACK OF PROMISSORY NOTE

Pay to the order of Higher Education Assistance Foundation ("HEAF") without recourse, provided, however, notwithstanding this indorsement without recourse, the undersigned hereby expressly

1. Warrants that:
  - a) no defense of any party is good against the undersigned; and
  - b) the undersigned is not in default under the terms of that certain Lender Agreement for Guarantee of Student loans with Federal Reinsurance ("Lender Agreement") between it and HEAF, in accordance with which payment of the indebtedness evidenced by this instrument was guaranteed by HEAF.
2. Disclaims the implied warranty that it has no knowledge of any insolvency proceeding instituted with respect to the maker of this instrument and instead warrants that to the extent it has knowledge of any such proceeding it has disclosed the same to HEAF, but no other implied warranties are hereby disclaimed.
3. Acknowledges that:
  - a) upon payment in full by HEAF of the claim submitted by the undersigned pursuant to the aforesaid Lender Agreement, HEAF will have discharged all of its obligations to the undersigned arising out of said Lender Agreement; and
  - b) notwithstanding payment by HEAF of the undersigned's claim and acceptance by HEAF of transfer of this instrument in consideration thereof, HEAF has not waived any rights that it may have against the undersigned pursuant to the terms of the aforesaid Lender Agreement.

then evidence of my eligibility. I must be able to show that the condition was granted no longer exists.

## AFFIRMATION

My loan is repaid by the Secretary of Defense, Department of Defense, Education Act, 1981 (P.L. 96-342, 10 U.S.C. 2141), for the local Service recruiter. The program described is a loan program for individuals or those not eligible for enlistment in the

SIGNATURE [Signature]  
 NAME Superior Claims DATE 06/09/89

U. S. DEPARTMENT OF EDUCATION  
SAN FRANCISCO, CALIFORNIA

CERTIFICATE OF INDEBTEDNESS #1 OF 2

Maurice Taylor  
19946 Strasburg  
Detroit, MI 48205-1636  
Account No. XXXXX7384

I certify that U.S. Department of Education records show that the borrower named above is indebted to the United States in the amount stated below plus additional interest from 04/14/11.

On or about 01/08/87, the borrower executed promissory note(s) to secure loan(s) of \$2,625.00 from First Bank (Milwaukee, WI). This loan was disbursed for \$2,625.00 on 04/24/87, at 8.00 percent interest per annum. The loan obligation was guaranteed by Higher Education Assistance Foundation, and then reinsured by the Department of Education under loan guaranty programs authorized under Title IV-B of the Higher Education Act of 1965, as amended, 20 U.S.C. 1071 et seq. (34 C.F.R. Part 682). The holder demanded payment according to the terms of the note, and credited \$0.00 to the outstanding principal owed on the loan. The borrower defaulted on the obligation on 08/02/89, and the holder filed a claim on the loan guarantee.

Due to this default, the guaranty agency paid a claim in the amount of \$2,809.56 to the holder. The guarantor was then reimbursed for that claim payment by the Department under its reinsurance agreement. Pursuant to 34 C.F.R. § 682.410(b)(4), once the guarantor pays on a default claim, the entire amount paid becomes due to the guarantor as principal. The guarantor attempted to collect this debt from the borrower. The guarantor was unable to collect the full amount due, and on 02/02/93, assigned its right and title to the loan to the Department.

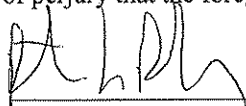
Since assignment of the loan, the Department has credited a total of \$0.00 in payments from all sources, including Treasury Department offsets, if any, to the balance. After application of these payments, the borrower now owes the United States the following:

Principal:	\$2,809.56
Interest:	\$4,801.89
Total debt as of 04/14/11:	\$7,611.45

Interest accrues on the principal shown here at the rate of \$0.62 per day.

Pursuant to 28 U.S.C. § 1746(2), I certify under penalty of perjury that the foregoing is true and correct.

Executed on: 5/5/11

  
\_\_\_\_\_  
Loan Analyst  
Litigation Support

Peter La Roche  
Loan Analyst



PLEASE PRINT CLEARLY IN INK

BE SURE TO PUT YOUR INITIALS BY ANY CORRECTIONS YOU HAVE TO MAKE.

## GUARANTEED STUDENT LOAN PROMISSORY NOTE

## A. IMPORTANT - READ THIS INFORMATION CAREFULLY

The terms "I" and "me" refer to the borrower.

- I will read the Promissory Note before I fill it out. If I have any questions, I will ask my lender. If I don't know who my lender will be, I will contact my school or HEAF.
- When the lender accepts my signed Promissory Note with my application, the lender is not necessarily agreeing to lend me the money. The lender has the right not to make a loan or lend an amount less than the Loan Amount Requested. I will be required to repay only the amount of money that the lender lends. Laws and regulations may not allow the lender to lend me as much as I have asked for.
- After HEAF has agreed to guarantee my loan, the lender will send me a Disclosure Statement. The Disclosure Statement will tell me:
  - the total dollar amount of my loan
  - the dollar amount of the origination fee I will pay
  - my disbursement schedule (when I will get my loan checks)
  - the interest rate I will pay
  - the dollar amount of the guarantee fee I will pay
  - how long my grace period will be
 Some of the terms on my Disclosure Statement may be different from what they are on the Promissory Note. If they are different, the terms on the Disclosure Statement apply instead of what is on this Note. If I am not satisfied with the new terms, I may cancel the agreement. If I do wish to cancel this agreement, I will contact my lender immediately and I will not cash any loan checks. I will be sure to check the Disclosure Statement as soon as I get it and let my lender know if anything looks wrong or if I have any questions.

## B. PROMISE TO PAY

I promise to pay to the order of

First Bank, (N.A.)

Milwaukee, Wisconsin

## F. DEFERMENT

I understand that in certain instances authorized by the Act the payments I am required to make under Section D may be deferred. The instances currently authorized by the Act are described on the reverse side of this Note. To obtain such deferment, I agree to comply with the relevant federal regulations and the Rules and Regulations of the HEAF, including, without limitation, submission of required forms to the lender.

## G. MODIFICATION OF REPAYMENT TERMS

If I am unable to repay this loan in accordance with the terms established under Section D, I may request the lender to modify these terms in the manner identified on the reverse side of this Note. I understand that a modification of repayment terms under this section is different from Deferment (Section F) and that during this period I will remain responsible for payment of interest which the lender may (a) collect from me on a periodic basis or (b) add to the principal balance of the loan.

## H. DEFAULT &amp; ACCELERATION

If I default on this loan, the lender may declare the entire unpaid amount of the loan, including interest and applicable late charges, immediately due and payable. A default may also make me ineligible for the benefits described under DEFERMENT and REPAYMENT in this Promissory Note. Under HEAF regulations governing the GSLP, any of the following events is a default:

- Failing to make any payment when due.
- Making any false representation for the purposes of obtaining this loan.
- Using the loan proceeds for other than educational purposes.
- Failing to enroll in the school that completed the application for the time identified as my own period.
- Not notifying the lender immediately if I: (a) drop to less than a half-time student, (b) change my graduation date, (c) change my name or (d) change my address.

If I default, I will also pay all charges and other costs, including attorney's fees, that are permitted by federal law and regulations for the collection of these amounts. If this loan is referred for collection to an agency that is subject to the Fair Debt Collection Practices Act, I will pay collection costs not to exceed 25 percent of the unpaid principal and accrued interest. Declaring these amounts immediately due and payable is not a discharge of the loan. I agree that if this option does not work with applicable state and federal law, the lender may, at its discretion, elect to pay HEAF all amounts due and to be paid on this loan.

## I. CREDIT BUREAU NOTIFICATION

If I default on this loan, the lender will report the default to the credit reporting organizations. This information will be used to determine my creditworthiness for future borrowing. I agree to provide information on the payment status of this loan to any credit reporting organization upon my request, if not otherwise required by law. The lender may also report the status of this loan to any credit reporting organization.

## J. LATE CHARGES

I agree to be liable for late charges if I fail to make a payment when due. If there is any part of an installment payment that is 15 days after the due date, I agree that I am entitled to have the payment deferred as described in the HEAF Act and the Promissory Note. A late charge may not exceed \$5.00 per month.

## NOTICE TO BORROWER

- DO NOT SIGN THIS PROMISSORY NOTE BEFORE YOU READ IT
- YOU ARE ENTITLED TO A COPY OF THIS PROMISSORY NOTE
- YOU MAY PREPAY THE UNPAID BALANCE AT ANY TIME WITHOUT PENALTY
- IF YOU HAVE ANY QUESTIONS OR WISH TO CANCEL THIS LOAN: (1) DO NOT CASH THE LOAN CHECK(S) AND (2) CONTACT YOUR LENDER

Maurice Taylor

1-8-87

DATE

## E. PREPAYMENT

At any time and without penalty, I may prepay at any time all or any part of the unpaid principal balance of this loan. In the event of prepayment, I may be entitled to a refund of unearned interest. The amount of unearned interest to be refunded by the same method by which interest has been collected.

LENDER COPY

EXHIBIT C

## DEFERMENT OF REPAYMENT

payments that I am required to make under Section 902 of the Department of Defense Authorization Act, 1981 (P.L. 96-342, 10 U.S.C. 2141, note.)

## AFFIX TO BACK OF PROMISSORY NOTE

Pay to the order of Higher Education Assistance Foundation ("HEAF") without recourse, provided, however, notwithstanding this indorsement without recourse, the undersigned hereby expressly:

1. Warrants that:
  - a) no defense of any party is good against the undersigned; and
  - b) the undersigned is not in default under the terms of that certain Lender Agreement for Guarantee of Student loans with Federal Reinsurance ("Lender Agreement") between it and HEAF, in accordance with which payment of the indebtedness evidenced by this instrument was guaranteed by HEAF.
2. Disclaims the implied warranty that it has no knowledge of any insolvency proceeding instituted with respect to the maker of this instrument and instead warrants that to the extent it has knowledge of any such proceeding it has disclosed the same to HEAF, but no other implied warranties are hereby disclaimed.
3. Acknowledges that:
  - a) upon payment in full by HEAF of the claim submitted by the undersigned pursuant to the aforesaid Lender Agreement, HEAF will have discharged all of its obligations to the undersigned arising out of said Lender Agreement; and
  - b) notwithstanding payment by HEAF of the undersigned's claim and acceptance by HEAF of transfer of this instrument in consideration thereof, HEAF has not waived any rights that it may have against the undersigned pursuant to the terms of the aforesaid Lender Agreement.

SIGNATURE	<i>Karin Mosley</i>	DATE	
TITLE	HSCA Claims Supervisor		

SEP 27 1989 10-87

To be granted a deferment, I must provide the lender with written evidence of my eligibility. I must subsequently notify the lender as soon as the condition for which the deferment was granted no longer exists.

## MODIFICATION OF REPAYMENT TERMS

If I am unable to repay this loan in accordance with the terms established under Section D, I may request the lender to modify the terms. The lender may, if it is not required to, allow any of the following:

1. A deferral period of time in which payments are waived;
2. A reasonable extension of time for making payments;
3. Modification of payments that were originally scheduled.

I understand that during this period I will remain responsible for payment of interest which the lender may (a) collect from me on a periodic basis or (b) add to the principal balance of the loan.

## REPAYMENT BY DEPARTMENT OF DEFENSE

Under certain circumstances, military personnel may have their loans repaid by the Secretary of Defense, in accordance with Section 902 of the Department of Defense Authorization Act, 1981 (P.L. 96-342, 10 U.S.C. 2141, note.) Questions concerning the program should be addressed to the local Service recruiter. The program described is a repayment program and does not pertain to prior service individuals or those not eligible for enlistment in the Armed Forces.